

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: February 10, 2009

Bill Number: S.B. 346

Author: Leventis

Committee Requesting Impact: Senate Finance Committee

Bill Summary

A bill to amend Section 4-10-330, as amended, of the Code of Laws of South Carolina, 1976, relating to those projects eligible for funding with revenues of the capital projects sales tax and the construction of the ballot and procedures for the referendum required for the imposition of the tax, so as to allow the revenues of the tax to be used for the acquisition of interests in real property including development rights for economic development, conservation, blight remediation, or military base protection.

REVENUE IMPACT ^{1/}

This bill is not expected to impact General Fund revenue in FY2009-10.

Explanation

This bill would amend Section 4-10-330(A)(1) to expand the purposes for which the proceeds of the local option capital projects sales and use tax revenue may be used to include the acquisition of interests in real property. The local option capital projects sales and use tax revenue must first be approved by a referendum of the qualified electors of the county, and may not amount to more than one percent tax rate, and may not last for more than seven years. This bill would allow the proceeds from a local option capital projects sales and use tax acquire interests in real property, including the purchase of development rights, for economic development, conservation, blight remediation, or military base protection. This would include the purchase of real estate surrounding military installations to act as a buffer between the installation and the local community. This would also include the construction of runways and landing strips to foster economic development and commerce. Because this bill would allow local authorities to decide how to allocate locally-generated tax revenue, it is not expected to impact state General Fund revenue in FY2009-10.



William C. Gillespie, Ph.D.
Chief Economist

Analyst: Martin

^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.